



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
601 Delaware Avenue
Wilmington, Delaware 19899

TAX NEWSGRAM 76- 13

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- Inheritance Tax (Chapter 13, Title 30, Delaware Code).

House Bill No. 849 (Chap. 697, Vol. 60, Laws of Del.) completely revises the Delaware Inheritance Tax Law (Chapter 13, Title 30, Delaware Code), effective with respect to decedents dying on or after January 1, 1977. The new law clarifies and refines the provisions relating to the inclusion in the gross estate of property subject to a general power of appointment; transfers in contemplation of death; transfers intended to take effect in possession or enjoyment at or after death; and transfers where the property is subject to a power in the decedent to alter, amend or revoke.


The new law also adopts the Federal estate tax treatment accorded annuities and retirement benefits, and incorporates the increase in the exemption for property passing to a spouse from \$20,000 to \$70,000 provided by House Bill No. 214 (Chap. 346, Vol. 60, Laws of Del.). In addition, it provides an exclusion from the gross estate of one-half of the value of real property held by the decedent and surviving spouse as tenants by the entirety or personal property jointly owned by the decedent and surviving spouse; for this purpose the total value of such jointly owned property is limited to \$200,000 and the maximum exclusion to \$100,000.

In addition, under the new law, a Delaware inheritance tax return must be filed by the executor or administrator and tax paid nine months after date of death. Under prior law, inventory reports and schedule of deductions were required to be filed and the Division of Revenue computed the tax liability and assessed the tax 15 months after date of death. The law also incorporates certain specified enforcement, procedural and administrative provisions (including the period of limitations on assessing deficiencies and filing claims for refund and penalties for late filing or non-payment of tax) contained in the personal income tax law as set forth in Chapter 11, Title 30, Delaware Code.

The law applies to estates of decedents dying on or after



January 1, 1977. The Division of Revenue will prepare and have available for distribution at that time a new Inheritance Tax Form and appropriate schedules and instructions.



Louis N. Megargee
Director of Revenue

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